

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 94-292-C - ORDER NO. 94-1155 ✓  
NOVEMBER 3, 1994

IN RE: Application of Teltrust Communications )  
Services, Inc. for a Certificate of ) ORDER  
Public Convenience and Necessity to ) APPROVING  
Provide Intrastate Resold ) CERTIFICATE  
Telecommunications Services, including )  
Operator Services, Within the State of )  
South Carolina. )

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Teltrust Communications Services, Inc. (Teltrust or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services, including operator services, in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1993) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Teltrust to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Teltrust's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. Teltrust complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Protests or

Petitions to Intervene were received by the Commission.

A hearing was commenced on October 26, 1994, at 10:30 a.m., in the Commission's Hearing Room. The Honorable Rudolph Mitchell, Chairman, presided. Teltrust was represented by Frank R. Ellerbe, III. Florence P. Belser, Staff Counsel, represented the Commission Staff.

At the beginning of the hearing, Mr. Ellerbe, attorney for Teltrust, proposed several changes to the Teltrust tariff. Mr. Ellerbe stated that Teltrust agreed to these changes after conversations with the Commission Staff and the Consumer Advocate for the State of South Carolina. First, Teltrust proposes to eliminate §2.2.E on page 9 of the proposed tariff as Teltrust is not seeking authority to serve confinement facilities in South Carolina. Next, Teltrust will amend the language in §2.7.1 on page 12 regarding payment for service and in §2.7.3 on page 13 regarding discontinuance of service so that the language will comply with the Commission's Rules and Regulations. Mr. Ellerbe also stated that Teltrust will remove §3.8 on page 18 and §4.6 on page 23 as Teltrust does not seek to provide debit card services at this time. Mr. Ellerbe further stated that Teltrust is seeking maximum rate treatment and that it is the intent of Teltrust for its maximum rate schedule to mirror AT&T's maximum rates while Teltrust's current rates will be equal or less than AT&T's current rates. Mr. Ellerbe stated that Teltrust would amend the rates in the tariff to achieve its intention.

Sue Williams, Director of Regulatory Affairs for Teltrust, appeared and offered testimony in support of Teltrust's

Application. Ms. Williams stated that Teltrust is a privately held company which was organized in the State of Utah in 1991. According to Ms. Williams, Teltrust is a wholly owned subsidiary of Teltrust, Inc., and Teltrust currently provides interexchange services in thirty-one (31) states.

Ms. Williams testified that Teltrust proposes to offer direct dial and operator assisted long distance service using the resold transmission services of certificated carriers. Ms. Williams stated that Teltrust's operated assisted rates are equivalent to the rates of AT&T. Ms. Williams also explained Teltrust's billing process and customer service procedures.

Ms. Williams also stated that Teltrust competes with other carriers based on price, service quality, responsiveness to customer needs and by meeting the demands of niche markets. Ms. Williams offered that certification of Teltrust would benefit South Carolina customers by offering a greater variety of products and rates from which to choose. Ms. Williams also testified that Teltrust has the managerial, technical and financial ability to provide the proposed telecommunications services in South Carolina.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

#### FINDINGS OF FACT

1. Teltrust is incorporated under the laws of the State of Utah and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. Teltrust operates as a non-facilities based reseller of interexchange services and wishes to provide its services in South Carolina.

3. Teltrust has the experience, capability, and financial resources to provide the services as described in its Application.

#### CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Teltrust to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Teltrust for its resale services which includes only maximum rate levels for each tariff charge. For intrastate interLATA "0+" collect and calling card calls, Teltrust may not impose a fixed operator service charge more than the intrastate charges then currently approved for AT&T Communications, and for the usage portion of the call, Teltrust may not charge more than the intrastate rates charged by AT&T Communications at the time such call is completed. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in

Docket No. 84-10-C (August 2, 1984).

3. Teltrust shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Teltrust shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1993).

4. Teltrust shall file its revised maximum tariff and an accompanying price list within thirty (30) days of the date of this Order. The revised tariff shall be consistent with the findings of this Order and shall include the revisions announced by counsel for Teltrust at the hearing. Further, the tariff shall be filed with the Commission in a loose-leaf binder.

5. Teltrust should be allowed to incorporate in its tariff a surcharge for operator-assisted and calling card calls not to exceed \$1.00 for calls originated at hotels and motels and at customer-owned pay telephones only if the property owners have not

added a surcharge already. That is, the Company may not impose an additional surcharge to calls originating at hotels and motels and customer-owned pay telephones if such a surcharge has already been imposed by the property owners. If such a charge is applied, however, it should be paid in its entirety to the customer by the Company. Further, if the surcharge is applied, the user should be notified of imposition of the surcharge. This notification should be included in the information pieces, such as tent cards or pay telephone stickers, identifying the Company as the operator service provider for pay telephones and guest phones.

6. Teltrust is required to provide "tent" cards to hotels and motels for placement next to guest telephones and stickers to customer-owned pay telephones identifying it as the provider of operator service for intrastate interLATA distance calls. Teltrust is required to brand all calls identifying itself as the carrier for the motel or hotel. The information pieces shall be consistent with the format approved by the Commission in Order No. 93-811, issued in Docket No. 92-557-C.

7. For the provision of operator services, Teltrust shall comply with the Operator Service Provider Guidelines approved in Order No. 93-534, issued in Docket No. 93-026-C.

8. Teltrust is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

9. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or

operator service provider if they so desire.


10. Teltrust shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Teltrust changes underlying carriers, it shall notify the Commission in writing.

11. With regard to completion of any intraLATA toll calls, Teltrust shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

12. Teltrust shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

13. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
CHAIRMAN

ATTEST:

  
Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR INTEREXCHANGE COMPANIES AND AOS'S

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION, MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

- (4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE).